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Minutes of a regular meeting of the
Board of Directors of Whitmoyer
Laboratories, Inc., a corporation of
the State of Delaware, held in pur-
suance of the By-Laws at the office
of the Corporation in Myerstown,
Pennsylvania, on Tuesday, May 2, 1967,
at 2:00 P.M.

Dr. F. Otto Haas, Chairman, presided at the meeting; and, in
the absence of the Secretary, Mr. H. R. Green, an Assistant Secretary
of the Company, kept the minutes of the meeting but did not
participate in the action taken.

All of the Directors were present in persons as follows:

| | |
|-----------|-------------------|
| Chairman: | F. Otto Haas |
| | D. J. Butterbaugh |
| | Ralph Connor |
| | C. S. Hebden |
| | R. W. Henry |
| | Louis Klein |
| | G. A. Trout |
| | C. W. Whitmoyer |

At the request of the Chairman, Mr. Green presented to the
meeting the Secretary's certificate that due notice of the meeting
had been given to all of the Directors of the Corporation on or
before April 27, 1967. The said certificate and copy of notices of
the regular meeting are attached at the end of these minutes,

marked I and I-A, respectively.

Mr. Green then presented to the meeting a Consent and Waiver of Notice of this meeting which was duly signed by the Directors and which is attached at the end of these minutes, marked II.

Reading of Minutes

On motion duly made and seconded, the reading of the minutes of the preceding meetings of the Board of Directors was waived and the minutes were approved as submitted to the members of the Board prior to the meeting.

Resignation of President

Mr. Whitmoyer then stated that after 36 years devoted by him to building the business of the Corporation, he now feels the time has come when he can no longer devote his full time to daily activities as an Officer of the Corporation and he tendered his resignation as President of the Company with an expression of appreciation to the Board of Directors for their past efforts in building the business and his thanks to the Parent Company and its Officers and Directors for their assistance in operating the business since July of 1964. He stated that he felt he was leaving the operation of the Corporation in good hands, and requested that the Board accept his resignation as President.

On motion duly made and seconded, Mr. Whitmoyer's resignation as President of the Company was accepted with regret and with an

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expression of appreciation for his dedicated efforts over the past years to building the business of the Company to its present fine state.

Election of Officers

Mr. Whitmoyer then placed in nomination the names of the following persons for the offices indicated, all to hold office until the regular meeting of the Board of Directors in May, 1968, and until their successors have been duly elected and qualified as provided for in the By-Laws:

| | |
|-----------------------|----------------------------------|
| Chairman of the Board | F. Otto Haas |
| President | G. A. Trout |
| Vice Presidents | D. J. Butterbaugh Louis Klein |
| Secretary | F. J. Rarig |
| Treasurer | R. W. Henry |
| Assistant Secretaries | H. R. Green I. W. Henry |
| Assistant Treasurers | C. S. Hebden D. J. King |

Dr. Connor moved that the nominations be closed and that the persons nominated be declared elected. Mr. Klein seconded Dr. Connor's motion, and the motion was unanimously adopted.

The Chairman then instructed the Secretary to cast a unanimous ballot for the persons nominated and declared that the persons listed above had been elected to hold the offices indicated until the regular meeting of the Board of Directors in May, 1968,

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Appointment of Executive Committee

The meeting then proceeded to the appointment of the Executive Committee. Dr. Connor thereupon proposed the following resolutions designating the members of the Executive Committee and confirming its authority to act for the Board:

RESOLVED: That the following persons are hereby appointed to the Executive Committee of the Corporation in accordance with Section 10 of Article III of the By-Laws to hold office until the May, 1968 meeting of the Board of Directors of the Corporation and until their successors have been duly appointed and qualified:

| | |
|---------------|--------------|
| Chairman | F. Otto Haas |
| Vice Chairman | Louis Klein |
| | C. S. Hebden |

AND BE IT FURTHER

RESOLVED: That the Executive Committee shall have and may exercise the powers of the Board of Directors in the management of the business and in the affairs of the Company and shall have power to authorize the seal of the Company to be affixed to all papers which may require it, all as provided in the By-Laws of the Corporation.

The motion was seconded and unanimously approved by the meeting.

Appointment of Pension Plan Committee

The meeting then proceeded to the appointment of a Pension Plan Committee. Dr. Butterbaugh thereupon proposed the following resolution designating the members of the Pension Plan Committee:

RESOLVED: That the following persons are designated as members of the Pension Plan Committee to hold office until the regular meeting of the Board of Directors in

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May, 1968, and until their successors have been
duly elected and qualified:

Chairman

J. C. Haas

P. Himmelberger

E. M. Morgan, Jr.

J. H. Schaeffer

G. A. Trout

The motion was seconded and unanimously approved by the
meeting.

Auditors

The Chairman then presented the matter of appointing auditors
for the year 1967. Mr. Henry reported that the Officers recommend
that our present auditors, the firm of Main, Lafrentz & Co., be
reappointed. After discussion, on motion made by Mr. Henry and
seconded by Mr. Whitmoyer, the following resolution was unanimously
adopted:

RESOLVED: That the Board of Directors hereby authorizes the
President, with the concurrence of the Treasurer
or the Secretary, to appoint as auditors for the
calendar year 1967 the firm of Main, Lafrentz & Co.,
subject to one or more of the above mentioned
Officers coming to a satisfactory agreement as to
the fees to be charged for said work.

Operations Report

The Chairman then requested that Mr. Trout present his
report on the operations of the Company.

Mr. Trout reported that the results of the Company's
operations for the first quarter were quite disappointing. Sales of

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\$1,608,000 were up 2.2% but net earnings of \$6,000 were 87% below earnings for the first quarter of 1966. CARB-O-SEP's sales lagged behind last year's performance by \$87,000, and this fact alone was enough to drop earnings to this sharply lower position. Every survey of the sales picture indicates that this is not a reflection of any lowering of the popularity of CARB-O-SEP in the turkey industry but an indication of a late season. April figures, which are nearly complete, confirmed this as sales of CARB-O-SEP have swung up sharply and some of the lost sales have been recovered. The sales forecast for an increase of 20% for 1967 still stands. Encouraging progress was made with a 62% increase in the sale of piperazine products while Vitamin K products increased fourfold. He stated that it is expected that the entire Company's operation in the second quarter will come back into line with forecasts of a 20% sales gain and a 15% increase in earnings.

He pointed out that the Board had noted from Mr. Ambrogi's remarks and the tour of the plant facilities this morning that encouraging progress has been made with the major construction items. With the exception of the arsanilic acid expansion and the piperazine installation, all of the other projects are completed or nearly completed. The first order of priority still is the arsanilic expansion project since it is most urgently needed. Despite the difficult time of the past several months, the progress made has been encouraging and he stated that he is confident that the project will be completed in eight to ten weeks. The critical problem in meeting

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this construction schedule is the availability of mechanics and every effort is being expended to make the best use of their time. As time can be spared from this project the men are switched to the piperazine installation. The equipment has been installed to manufacture the liquid piperazine and partially installed to make the dry product. This project should be completed one month after the completion of the arsanilic acid project.

The manufacture of menadione continues on a satisfactory basis with volume in excess of one thousand kilos per month. The technique of regenerating the ceric salt solution periodically seems to be working well and there are indications that by reducing the current flow through the platinum electrodes, we have succeeded in lengthening their life significantly. These electrodes were inspected last week and no detectable deterioration could be noted over the past four months of operation. Efforts to broaden our marketing program on Vitamin K products have not made too much progress but we have been successful in increasing our price of menadione by 19%. He stated there seems to be no question but that there is a United States market for considerably more menadione than the Company can produce and there is some possibility of raising the price further.

The conversion of the old analytical laboratory into a parasitology laboratory is completed and test work is underway. Our capability for screening compounds now exceeds the supply and we look for expanded activity. Efforts to get the Food Additive Petition for CARB-O-SEP approved by the Food and Drug Administration are

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meeting with some success since we know that the Toxicology Department has approved our application. We have learned that the Chemistry Department is in the act of drafting specifications for the carbarsone to be used in CARB-O-SEP. The Food and Drug Administration advised us yesterday that they are considering a specification for carbarsone which would permit 1.6% maximum arsanilic acid. Mr. Trout stated that this would be a difficult specification to meet but we hope that we can manufacture carbarsone to meet the proposed specifications or negotiate to a satisfactory point if their specifications are unrealistic. He stated that it is hoped that full clearance of our Food Additive Petition can be secured within thirty to sixty days.

Mr. Trout stated that we continue to recover approximately one thousand pounds per week arsenic from the ground water in the plant area. There has been an increase in this amount with the increased flow of water during the spring but this shows evidence of tapering off. A plan for the pumping of water from the peripheral wells directly into the Tulpehocken Creek has been placed before the State officials and we hope for approval of this plan in the near future. We are more anxious than ever to eliminate this entire problem in the very near future, and think the increasing public concern for man's environment will make it more difficult to get agreement from State officials as time goes on.

Mr. Trout stated that the Company is in excellent position from a personnel standpoint with all vacancies in sales, research and development, and the quality control laboratory being filled at this

time. He stated that he is confident that the Company is making good progress with the present product line and should be in a strong position to exploit any new products that can be added to the line.

Construction

Mr. Trout then presented a budget of major expenditures over \$10,000 as of May 2, 1967, a copy of which is attached at the end of these minutes, marked III.

He pointed out that in addition to the items which are expected to be covered by the \$74,000 figure under the "All Others" in the construction budget, it may be necessary to provide for a new boiler by fall of 1967. The \$74,000 figure in the budget will cover the proposed addition of two trailer trucks for transportation of products, streamlining the electrical power system, and a provision to use water from Tulpehocken Creek for cooling. He pointed out that when the hydrolysis system is operating, it will require operation of both boilers because the power demand will exceed the capacity of the larger boiler. This will leave us with no reserve boiler. He stated that both of our boilers are new and in good repair but that we may have to consider the addition of a third boiler to the construction budget by fall.

Financial Report

Mr. Henry presented a summary financial report dated May 1967, a copy of which is attached to the end of these minutes, marked IV.

The members of the meeting reviewed and discussed this report which is largely self-explanatory. Mr. Hebden stated that because of

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the tight cash position of the Company as indicated in the financial report, he has recommended that Rohm & Haas Company of Canada, Ltd. repay the loan of \$200,000 acquired when Whitmoyer Laboratories of Canada was taken over. This probably will be accomplished about May 15, 1967. He also pointed out that the earnings of the subsidiaries absorbed by foreign operations are not included in the financial report. He stated that if the earnings of the subsidiaries now operated by Lennig Chemicals Limited and Rohm & Haas Company of Canada, Ltd. were included, the net income figure for 1965 would be \$371,000 instead of \$273,000, and for 1966 would be \$583,000 instead of \$484,000. The net income figure for the first quarter of 1967 would be \$22,000 compared with \$60,000 for 1966. He pointed out that this also must be taken into consideration in computing return on Rohm and Haas investment as shown in the summary report. If the earnings of the spun-off subsidiaries are included, the figures would be 4.4% for 1965, 7.0% for 1966, and 7.8% estimated for 1967.

Construction Budget

Following the discussion of the financial report, the Chairman submitted for action by the meeting the construction budget which had been submitted previously and explained by Mr. Trout. Upon motion made by Mr. Trout and seconded by Mr. Hebden, the following resolution was unanimously adopted:

RESOLVED: That the proposed construction program outlined in the budget submitted to the meeting for approval is approved as submitted subject to the discretion of

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the Officers to make such adjustments in keeping with the scope of the program as they in their discretion deem desirable, it being understood that a progress report and explanation of expenditures made or contemplated will be given to the Board at its next regular meeting.

Planning and Development

The Chairman then requested that Mr. Klein discuss planning and future development.

Mr. Klein stated that during the morning discussion, Mr. Suppan and Dr. Eoff in particular indicated the great need for new products. Some progress is being made along these lines as a result of our research efforts. The renovated analytical laboratory has given us a greater capacity for test work than we have had heretofore.

Barker, Moore & Mein Co., Inc. continues to operate as a separate company for reasons that were well established in the past. He stated that we need to look at this before the year end to see if it would make sense to absorb this company into Whitmoyer Laboratories, Inc. in the interest of simplicity. In the meantime, a new Board of Directors has been elected to conform to the Board of Whitmoyer with the exception that Mr. Kauffman is retained on the Barker, Moore & Mein Board.

Mr. Klein stated that we continue to be hopeful that there will be some way of combining products and activities of Whitmoyer and Affiliated Laboratories Corporation in order to obtain maximum sales. This was an objective from the start and while we have not made much progress, we should continue to study this.

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Dividend Action

Mr. Trout stated that in view of the cash position of the Company, he recommended that no dividend be declared at this time. It was the unanimous opinion of the Directors that no dividend be declared.

New Business

Dr. Haas, Mr. Klein, Dr. Connor, Dr. Butterbaugh and Mr. Trout each made a brief statement expressing their gratitude to Mr. Whitmoyer for his efforts and assistance in reorganizing and developing the Company since its acquisition in July of 1964 by Rohm and Haas Company, and of their appreciation of his willingness to continue to serve as a member of the Board of Directors.

Mr. Klein asked what our water treatment costs are running currently. Mr. Trout stated that they were \$132,000 for 1966, and are running about \$8,000 per month currently as an operating expense. Monitoring of the wells indicates that there is a continuing lowering of arsenic level in the water but that this is not yet significant. Dr. Butterbaugh stated that we would have to go through at least two full seasons of pumping and into September, 1967 in order to determine what the effect of another dry season cycle will be upon this program.

There being no further business to come before the meeting, on motion duly made and seconded, the meeting adjourned.

H. R. Green
H. R. Green, Assistant Secretary

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- C E R T I F I C A T E -

I, F. J. RARIG, SECRETARY of WHITMOYER
LABORATORIES, INC., hereby CERTIFY that the
attached notices of the meeting of the Board
of Directors were either delivered personally
or mailed to each of the then eight Directors
of Whitmoyer Laboratories, Inc., on April 26
and April 27, 1967.

WHITMOYER
LABORATORIES, INC.


F. J. Rarig
Secretary

April 27, 1967

Attachment

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-7-7

WHITMOYER LABORATORIES, INC.
Independence Mall West
Philadelphia, Pa. 19105

NOTICE OF MEETING
of
BOARD OF DIRECTORS

Tuesday, May 2, 1967
1:30 P.M.

You are hereby notified that the regular quarterly meeting of the Board of Directors of Whitmoyer Laboratories, Inc. will be held in accordance with the By-Laws, on Tuesday, May 2, 1967, at one-thirty o'clock in the afternoon at the Treadway Inn, Lebanon, Pennsylvania.

If you are unable to attend, you are requested to send a telegram or letter to the Secretary "waiving notice of the time, place and purposes of the meeting, and consenting to the transaction of such other business as may come before the meeting or any adjournments thereof."

WHITMOYER LABORATORIES, INC.


F. J. Rarig
Secretary

April 26, 1967

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WHITMOYER LABORATORIES, INC.
Independence Mall West
Philadelphia, Pa. 19105

NOTICE RE MEETING
of
BOARD OF DIRECTORS
Tuesday, May 2, 1967

You are hereby notified that the time of the regular quarterly meeting of the Board of Directors of Whitmoyer Laboratories, Inc. scheduled for Tuesday, May 2, 1967, has been changed to two o'clock in the afternoon, and the place of the meeting has been changed to the offices of the Company in Myerstown, Pennsylvania.

WHITMOYER LABORATORIES, INC.


F. J. Rarig
Secretary

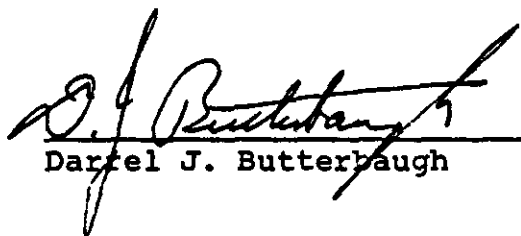
April 27, 1967

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- CONSENT and WAIVER OF NOTICE -

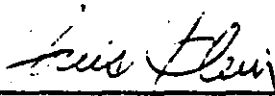
May 2, 1967


We, the undersigned, being all of the Directors of Whitmoyer Laboratories, Inc., a Delaware corporation, do hereby waive notice and right to notice by statute or otherwise of the holding of the regular quarterly meeting of the Board of Directors of said Corporation, and do hereby consent and agree that said meeting be held at the offices of the Corporation in Myerstown, Pennsylvania, on the 2nd day of May, 1967, at the hour of 2:00 P.M., for the purpose of transacting such business as may properly come before the meeting.

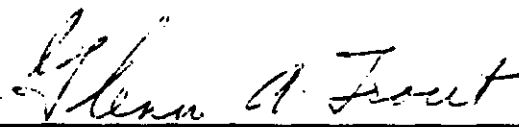

Darrel J. Butterbaugh


Raymond W. Henry

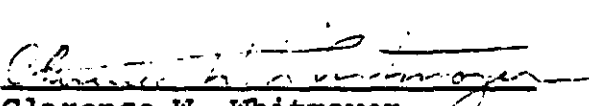

Ralph Connor


Louis Klein


F. Otto Haas


Glenn A. Trout


C. Stewart Hebden


Clarence W. Whitmoyer

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WHITMOYER LABORATORIES, INC.

MAJOR EXPENDITURES OVER \$10,000 AS OF 5/2/67

Whitmoyer

Approved

| Total Cost | | Estimated Completion Date | Expenditures to | | Total 1967 |
|-----------------|----------------|---------------------------|-----------------|-----------------|------------|
| Approved 2/7/67 | Revised 5/2/67 | | Previous Years | 1967 to 3/31/67 | |

| | | | | | | | |
|------------------------------|--------------------|--------------------|----------|------------------|------------------|------------------|------------------|
| Scale-up of Menadione Equip. | \$110,000 | \$107,000 | July '67 | \$ 97,000 | \$ 7,000 | \$ 3,000 | \$ 10,000 |
| A.A. & Carb-O-Sep Expansion | 233,000 | 233,000 | Oct. '67 | 187,000 | 33,000 | 13,000 | 46,000 |
| Waste Wells | 20,000 | 20,000 | Dec. '67 | 12,000 | - | 8,000 | 8,000 |
| New A.A. Kettles | 54,000 | 54,000 | May '67 | 6,000 | 35,000 | 13,000 | 48,000 |
| Centrifuge for A.A. | 40,000 | 40,000 | June '67 | 16,000 | 17,000 | 7,000 | 24,000 |
| Bio Lab. | 11,000 | 11,000 | June '67 | 1,000 | 8,000 | 2,000 | 10,000 |
| Piperazine Equip. | 94,000 | 94,000 | Oct. '67 | - | 31,000 | 63,000 | 94,000 |
| A.A. Expansion | 450,000 | 450,000 | Oct. '67 | - | 59,000 | 391,000 | 450,000 |
| Office Improvements | 7,000 | 15,000 | May '67 | - | 11,000 | 4,000 | 15,000 |
| All Others | 21,000 | 21,000 | Dec. '67 | - | - | 21,000 | 21,000 |
| Total | \$1,040,000 | \$1,045,000 | | \$319,000 | \$201,000 | \$525,000 | \$726,000 |

Tentative

Warehouse & Staging Area
All Others

| | | | | | | | |
|--------------------|--------------------|--------------------|--|------------------|------------------|------------------|------------------|
| | \$100,000 | \$100,000 | | - | - | \$100,000 | \$100,000 |
| | 74,000 | 74,000 | | - | - | 74,000 | 74,000 |
| Total | \$174,000 | \$174,000 | | | | \$174,000 | \$174,000 |
| Grand Total | \$1,214,000 | \$1,219,000 | | \$319,000 | \$201,000 | \$699,000 | \$900,000 |

4/23/67
B. H. McCulloch

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WHITMOYER LABORATORIES (INC.)
(Consolidated)
May 2, 1967
Annual Results
(000's Omitted)

| | <u>1965 (1)</u> | <u>1966 (2)</u> | <u>February 1967E</u> | <u>May 1967E</u> | <u>Est. % Change 1967 vs 1966</u> |
|-------------------------|-----------------|-----------------|-----------------------|------------------|-----------------------------------|
| Net Sales | \$ 7,940 | \$ 7,234 | \$ 8,400 | \$ 8,300 | 14.7 % |
| Net Income | 273 (3) | 484 (4) | 600 | 550 | 13.6 % |
| % of Sales | 3.4 % | 6.7 % | 7.1 % | 6.6 % | |
| Depreciation | 188 | 247 | 290 | 290 | |
| Cash Flow | 461 | 731 | 890 | 840 | |
| Rohm and Haas | | | | | |
| Original Investment | 8,041 | | | | |
| Average Investment | 8,422 | 8,345 (5) | 8,383 (5) | 8,358 (5) | |
| Return on Rohm and Haas | | | | | |
| Investment | 3.2 % | 5.8 % | 7.2 % | 6.6 % | |
| Dividends Paid | - | 1,000 | | | |

Quarterly Results
1st Quarter

| | <u>1966 (2)</u> | <u>1967</u> | <u>% Change</u> |
|------------|-----------------|-------------|-----------------|
| Net Sales | 1,574 | 1,608 | 2.2 % |
| Net Income | 45 | 6 | (87 %) |
| % of Sales | 2.9 % | .4 % | |

- (1) Recast to exclude Whitmoyer-Reed Ltd. and Whitmoyer de Mexico transferred to Foreign Operations Division 12/31/65 and Whitmoyer Laboratories Ltd. and Whitmoyer Laboratories (Quebec) Ltd. transferred to Rohm and Haas Company of Canada Ltd. 12/31/66.
- (2) Recast to exclude Whitmoyer Laboratories Ltd. and Whitmoyer Laboratories (Quebec) Ltd. transferred to Rohm and Haas Company of Canada Ltd. 12/31/66.
- (3) After deducting \$319,000 of waste treatment expenses (\$159,000 after tax).
- (4) After deducting \$132,000 of waste treatment expenses (\$66,000 after tax).
- (5) Includes Charles Lennig and Company common stock with a book value of \$330,000.

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| <u>CASH POSITION</u> | <u>March 31, 1966</u> | <u>March 31, 1967</u> |
|---------------------------|-----------------------|-----------------------|
| Cash Balance | \$ 215 | \$ 56 |
| Securities Balance (CDs) | <u>1,110</u> | <u>210</u> |
| Total Cash and Securities | \$ 1,325 | \$ 266 (1) |

(1) Dividend of \$1,000,350 paid to Rohm and Haas Company on 12/30/66.

| | | |
|--------------------------------|--------|--------|
| <u>Net Accounts Receivable</u> | \$ 633 | \$ 570 |
| <u>Inventories</u> | 1,173 | 1,352 |

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